

DAILY BULLETIN

JULY 10, 2006

USTR SCHWAB STILL SEES POTENTIAL FOR WTO NEGOTIATIONS DEAL

Private conversations allow more confidence than public rhetoric, she says 1

BUSH SAYS MULTILATERAL APPROACH BEST FOR DEALING WITH NORTH KOREA

Solving problem diplomatically requires partners, president says 2

U.S. REQUESTS CHEMICAL WEAPONS DESTRUCTION DEADLINE EXTENSION

Request would give the U.S. five more years to destroy chemical stockpile..... 4

USAID HELPING IMPROVE HEALTH, EDUCATION, GOVERNANCE IN CAMBODIA

Acting Mission Director Roger Carlson outlines U.S. aid to Cambodia 5

USTR SCHWAB STILL SEES POTENTIAL FOR WTO NEGOTIATIONS DEAL

Private conversations allow more confidence than public rhetoric, she says

By Bruce Odessey
Washington File Staff Writer

Washington -- U.S. Trade Representative Susan Schwab says that, despite a recent failure to advance long-stalled World Trade Organization (WTO) negotiations at talks in Geneva, she believes the participants can still reach agreement.

"Part of it is ... the difference between public rhetoric and private conversations," Schwab said in July 7 remarks in Washington. "I believe that there is enough potential there to do a good deal."

She said she would not be surprised if ministers were recalled to Geneva at the end of July. WTO Director-General Pascal Lamy currently is pressing leaders of key countries to make tough political decisions to prevent failure of the negotiations.

Schwab refrained from speculating about whether Group of Eight (G8) leaders will seek to push the negotiations forward at their July 15-17 summit meeting in St. Petersburg, Russia (the G8 comprises Canada, France, Germany, Italy, Japan, Russia, the United Kingdom and the United States). Host country Russia is not yet a WTO member, but leaders from certain key non-G8 countries important to the trade negotiations will be attending some summit sessions.

Just returned from the failed June 29-July 1 meetings in Geneva, Schwab expressed empathy with ministers from other countries faced with the politically difficult task of opening markets, but pressed them to do the right thing following the U.S. lead. She criticized refusal by the European Union (EU) and Japan to make real concessions on tariffs. But Schwab also directed criticism at rapidly expanding developing countries.

In private, she said, ministers from developing countries acknowledge that their people have the most to gain from a successful Doha round and the most to lose from a failure. Yet, publicly, she said, some of them played down the benefits of freer trade.

"There are some advanced developing countries like India that are questioning the benefits of open market development," Schwab said. "There are some ... advanced developing countries -- arguably emerging or existing powerhouses -- that would like to hide behind the least-developed poorest among us, who really should be given a pass in these negotiations."

Rapidly expanding economies such as Brazil, China and India have to make concessions, especially for the benefit of less-developed countries, she said.

Difficult agricultural trade issues have blocked movement in the negotiations, formally called the Doha Development Agenda, almost since they were launched in 2001. Little time remains to negotiate thousands of details on agriculture, industrial goods and services before the end of 2006, the goal for concluding the Doha round in line with expiration of U.S. trade negotiating authority six months later.

In October 2005, the United States attempted to revive the negotiations with a proposal to reduce sharply its spending on domestic support for farmers in return for sharply lower agricultural tariffs. So far, in Schwab's view, no other member has offered any proposal close to the level of U.S. ambition.

What became clearer in Geneva, she said, was that even less ambitious agriculture tariffs proposals from the European Union and the G20 group of developing countries could amount to little or no real change in market access because of exceptions yet to be negotiated -- categories the WTO calls sensitive products, special products and temporary import barriers known as special safeguard mechanisms.

Rebutting assertions that the United States alone was refusing to negotiate in Geneva, she said her team signaled more than once U.S. willingness to offer even further domestic farm support spending cuts in return for sharply lower agricultural tariffs. "Did our trading partners not hear," Schwab said, "or did they not want to hear that this willingness is attached to a prerequisite for more and real market access?"

"Perhaps the rest of the world expected the United States to show up to give more in domestic support and agriculture and get less in terms of market opening," she said. "There's no balance in that equation."

By reducing its October 2005 offer to appease countries seeking a less ambitious outcome, the United States would risk generating a downward spiral to less and less satisfactory results, she said.

"The U.S. launched this negotiation in 2001. It resuscitated it in 2005," Schwab said. "It's kind of odd that we're sitting here in 2006 getting blamed for the fact that it isn't done yet."

The transcript of Schwab's remarks can be accessed at the Office of the U.S. Trade Representative (USTR) Web site. For additional information on U.S. trade policy, see USA and the WTO.

BUSH SAYS MULTILATERAL APPROACH BEST FOR DEALING WITH NORTH KOREA

Solving problem diplomatically requires partners, president says

By Jane Morse
Washington File Staff Writer

Washington -- Despite North Korea's recent missile tests, the United States will not conduct bilateral talks with the Pyongyang regime, says President Bush.

"[O]ne thing I'm not going to let us do is get caught in the trap of sitting at the table alone with the North Koreans," Bush told reporters during a press conference in Chicago July 7.

Part of the United States' strategy in dealing with North Korea, the president said, has been "to have others at the

table” in an effort to convince North Korea’s leader, Kim Jong Il, to give up his nuclear programs and stop testing missiles.

“[T]here’s a choice for him to make,” Bush said. “I believe it’s best to make that choice clear to him with more than one voice.”

Asked if he had ruled out a possible military response to North Korea’s July 4 tests of several short- to medium-range missiles and a Taepo-dong 2 long-range missile, Bush said, “[W]e want to solve all problems diplomatically. That’s our first choice.”

But the president was adamant that a multilateral diplomatic solution should be found.

Bush said his concern about handling the issue bilaterally was that “you run out of options very quickly.”

It might be easier, he said, for the leadership of a non-transparent society such as North Korea “to turn the tables and make a country like the United States the problem as opposed to themselves.”

In the days since Pyongyang’s missile tests, the president said he has been speaking to Chinese President Hu Jintao, Russian President Vladimir Putin, South Korean President Roh Moo-hyun and Japanese Prime Minister Junichiro Koizumi.

“[I]f you want to solve a problem diplomatically, you need partners to do so,” Bush said.

In the case of North Korea, one good partner is China, he said. “They’re in the neighborhood. They’ve got some influence in that neighborhood,” he said. “Another good partner to have at the table is South Korea. They’ve got a lot at stake of what happens in North Korea, and so it’s important to have them at the table as well.”

Ambassador Christopher Hill, the top U.S. negotiator for the Six-Party Talks on North Korea’s nuclear programs, is currently in Asia to discuss the situation with leaders in China, South Korea, Japan and Russia, the other parties to the talks.

Bush said those talks offered Kim Jong Il a way forward that would allow him to help his people. Instead, he said, the North Korean leader chose to defy his negotiating partners.

“Now that he made that defiance,” the president said, “it’s best for all of us to go to the U.N. Security Council and say loud and clear, here are some red lines. And that’s what we’re in the process of doing.”

Bush said the purpose of a U.N. Security Council resolution condemning Pyongyang’s missile tests is “to send a clear message” that the world condemns North Korea’s provocative actions.

A transcript of Bush’s press conference can be found at the White House Web site.

U.N. RESOLUTION MOVES FORWARD

U.S. Ambassador to the United Nations John Bolton, speaking to reporters in New York July 7, said the five permanent members of the U.N. Security Council and Japan met for consultations July 6 and July 7 on a draft resolution responding to North Korea’s missile tests.

The draft, prepared by Japan and co-sponsored by three of the permanent members -- the United States, France and the United Kingdom -- was introduced at a midday meeting July 7.

The resolution condemns the July 4 missile tests as a threat to international peace and security under Chapter VII of the U.N. Charter, and would impose sanctions on North Korea.

In addition to the three permanent council members, all 10 temporary members have backed the resolution. However, Russia and China, the council’s other two permanent members, have expressed objections to the imposition of sanctions.

Bolton said the United States is pleased with the draft, which, he said, “provides for very strong restraints on the DPRK missile programs, very strong constraints on giving any assistance to their missile or [weapons of mass destruction] programs.” DPRK stands for Democratic People’s Republic of Korea, North Korea’s official name.

Asked if any progress had been made in addressing the concerns of Russia and China, Bolton said, “I think we had a good exchange of views.” He said he expected discussions to continue.

The ambassador said he had not given up hope of getting a “strong and unanimous statement” by the Security Council.

“We think it’s important that the response be in the form of a resolution, a binding resolution under Chapter VII because of the nature of the threat to international peace and security that is represented by the North Korean missile launches,” he said.

Transcripts of Bolton’s remarks are available can be found on the Web site of the U.S. Mission to the United Nations:

<http://www.usunnewyork.usmission.gov/index.htm>

U.S. REQUESTS CHEMICAL WEAPONS DESTRUCTION DEADLINE EXTENSION

Request would give the U.S. five more years to destroy chemical stockpile

Washington -- The United States has requested an extension to the deadline for completing the destruction of its chemical weapons stockpile, a U.S. ambassador says.

Ambassador Eric Javits, head of the U.S. delegation to the Executive Council of the Organization for the Prohibition of Chemical Weapons (OPCW), told the council July 4 at The Hague, Netherlands, that although the United States had announced the decision to request an extension, it delayed submitting a draft request to provide ample information about the move and to listen to the comments, suggestions and concerns of others.

“We have appreciated your thoughtful and constructive comments, and recognize the concerns that have been raised,” Javits said.

The threat of chemical weapons use no longer is confined to combat, he said. “The threat now also comes from terrorists and non-state actors,” Javits added, as they may threaten “us in our homes and cities.”

The Chemical Weapons Convention, which entered into force April 29, 1997, bans the development, production, acquisition, stockpiling, retention and direct or indirect transfer of chemical weapons. It also prohibits the use or preparation for use of chemical weapons and the assistance, encouragement or inducement of anyone else to engage in activities prohibited by the convention.

The draft request would extend the deadline for the destruction of the entire U.S. chemical weapons stockpile from April 2007 to April 2012. After OPCW states have a chance to consider the U.S. text, Javits said he hopes the council will endorse it at its next session in November.

In April, Javits told the executive council that it took the United States “longer than anticipated to build facilities and to obtain the necessary permits and consent to begin destruction of chemical weapons, and we have found that, once operating, our facilities have not destroyed weapons as rapidly as we initially projected.”

“Let me emphatically reiterate that the United States is committed to the earliest possible completion of destruction of its chemical weapons stockpiles,” Javits said. “We are making every effort and continuing to seek opportunities to improve our [chemical weapons] destruction with a view to meeting the 2012 deadline or completing destruction as soon after that date as feasible.”

The U.S. commitment and its efforts to meet its chemical weapons obligations “should be patently manifest,” Javits said, from government assurances offered “at every level” as well from a high rate of past expenditures and future destruction cost projections.

Total U.S. expenditure to destroy its chemical stockpile completely currently is expected to reach \$35 billion.

Javits said the United States is “equally committed to full transparency” about the status of its program, and is “ready to meet with any delegation to address any questions or concerns about the U.S. extension request.”

In addition to urging states to persuade additional countries to endorse the chemical weapons convention, Javits also emphasized the importance of enactment of national laws by existing members that will enable them to fulfill treaty obligations.

The full text of Javits’ remarks as prepared for delivery is available on the State Department Web site:
<http://www.state.gov/t/isn/rls/rm/68643.htm>

For additional information about U.S. policy, see Arms Control and Non-Proliferation:
http://usinfo.state.gov/is/international_security/arms_control.html

USAID HELPING IMPROVE HEALTH, EDUCATION, GOVERNANCE IN CAMBODIA

Acting Mission Director Roger Carlson outlines U.S. aid to Cambodia

By Cassie Duong
Washington File Staff Writer

Washington -- The United States Agency for International Development (USAID) focuses on three central goals in Cambodia: good health, good education and good governance, according to a July 4 speech by acting Mission Director for Cambodia Roger Carlson.

"These are all important components of USAID's contribution to the economic and social advancement of all Cambodians," Carlson said, adding that USAID has provided more than \$550 million in support of economic and social development in Cambodia since 1992.

Cambodia faces one of the most serious HIV/AIDS epidemics in Asia, according to USAID.

"While the prevalence of the disease among adults declined from 3.3 percent in 1997 to 2.6 percent in 2003, it is still a major threat to the country's physical and economic health," the agency said in a report on its programs in the country.

In a speech given July 4, U.S. Ambassador to Cambodia Joseph M. M. Mussumeli noted that U.S. assistance "accounts for roughly half of all international assistance to Cambodia to fight HIV/AIDS."

A partnership among USAID, Cambodia's Ministry of Health, local and international organizations and other donors has reduced the occurrence of HIV/AIDS in Cambodia significantly, according to Carlson.

Efforts to prevent the spread of the disease include the promotion of abstinence, being faithful to one partner and condom use among populations with a high risk of contracting HIV/AIDS, he said.

USAID also supports the expansion of the "Continuum of Care" program, which provides services to prevent HIV transmission and provides care and treatment for those living with HIV/AIDS.

For more information about U.S. policies, see HIV/AIDS:
http://usinfo.state.gov/gi/global_issues/hiv_aids.html

ADDRESSING OTHER HEALTH ISSUES

In addition to HIV/AIDS prevention and treatment efforts, Carlson said, USAID is involved in ensuring all parts of Cambodia's population have access to family planning and child health services and supporting efforts for the diagnosis, prevention and treatment of malaria, dengue and tuberculosis.

The agency also continues to implement programs designed to prevent the further spread of avian influenza and to work with Cambodian government agencies to prepare a coordinated response in the event of an outbreak.

Carlson cited public service announcements involving an animated character known as "Super Chicken" that encourages farmers to take simple steps to keep their poultry and families from becoming infected with avian influenza. These steps include washing hands after handling poultry, separating new chickens from old ones for 14 days and cleaning yards on a regular basis.

According to Mussumeli, U.S. assistance to Cambodia in 2006 alone will top \$62 million, with more than half devoted to health issues.

IMPROVING EDUCATIONAL OPPORTUNITIES

Another goal of USAID is access to quality education for all Cambodian children, Carlson said.

In support of this goal, one USAID program contributes to the efforts of Cambodia's Ministry of Education, Youth and Sports to introduce a "new, relevant curriculum" and to train teachers to deliver it using "child-friendly methodology," he said.

Another program supports schools and communities that "encourage enrollment of Cambodia's special-needs children, notably minorities, the disabled and the very poor," Carlson said.

According to USAID, only about 24 percent of Cambodia children continue to secondary school, and a significant gap remains between the percentages of women and men who are literate.

For more information on U.S. policies, see Education.
http://usinfo.state.gov/scv/life_and_culture/education.html

SUPPORTING GOOD GOVERNANCE

In its congressional budget justification for fiscal year 2006, USAID said, "Lack of good governance, unsatisfied social needs, and growing environmental threats are but a few hurdles the Royal Government of Cambodia will face in the coming years."

The report notes that Cambodia's government "lacks a separation of powers, with the executive branch dominating the legislature and the judiciary" and said the impact of corruption within Cambodia "permeates all aspects of daily life for citizens."

In order to encourage government reform, Carlson said, USAID funds programs that focus on issues such as democratic local governance and decentralization, protection of human rights and the rule of law, legal aid, judicial reform, labor unions and worker's rights and forest and wildlife protection. The agency also supports efforts to fight trafficking in persons and corruption.

According to Mussomeli, "[u]ltimately it will be up to the Cambodian people and its leaders to ensure the freedom and happiness of the people, but the United States -- as a good friend of Cambodia and the Cambodian people -- is honored to help in small ways."

For more information about U.S. policies, see Global Development and Foreign Aid:
http://usinfo.state.gov/ei/economic_issues/global_development.html

Please Note: Most texts and transcript mentioned in the U.S. Mission Daily Bulletin are available via our homepage: <http://geneva.usmission.gov/>

Select "Washington File" from the top menu bar.